



Review

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our proceedings, committee reports, journals, and so on—actually portray how unusually organized the railroad was. Berk tends to be somewhat redundant both in his generalizations and facts, for example, repeating three times the percentage of railroad mileage in receivership in 1891, each time citing the same 1889 source.

Nonetheless, both books make major contributions to breaking down the conceptual walls between society, state, and economy engendered by conventional disciplinary boundaries. At a time when the boundaries between polity and economy are being redrawn around the globe, the collective intellectual project refuting the claim that capitalist economies have ever arisen spontaneously is especially significant. These two excellent books on how the “first big business” had such deep political roots thus are not only theoretically important, but timely as well.

Forging Industrial Policy: The United States, Britain, and France in the Railway Age, by **Frank Dobbin**. New York: Cambridge University Press, 1994. 262 pp. \$47.95 cloth. ISBN: 0-521-45121-3.

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Frank Dobbin brings culture back into comparative political economy. Specifically, he argues that national political cultures shaped the policies that guided the development of railroads in the United States, Britain, and France during the nineteenth century by influencing how policymakers perceived the industry's problems and defined solutions. By “political culture,” he means the historically given view policymakers have of the proper relationship between state and civil society and the manner in which this view is institutionalized in state structures. For instance, in the United States beliefs in community sovereignty, institutionalized in a federalist system of government with weak national policy-making capacities, enabled local and state governments to play a key role in planning routes, financing development, and regulating safety, pricing, and competition during the industry's initial development. Conversely, in France, where centralized state authority was believed to be necessary in

order to protect the public interest and where the administrative capacities of the nation-state were well developed as a result, technocrats in Paris orchestrated a highly centralized national railway system. Finally, in Britain the political imperative of guarding the prerogatives of sovereign citizens was translated into protecting sovereign firms and individuals. Hence, the British tried to protect vulnerable railway entrepreneurs, employees, and passengers rather than market mechanisms per se with a minimum of state intervention. In short, nation-states developed institutions for organizing economic life in the railroad industry that paralleled those they used for organizing political life in general.

These arguments are derived from the “new institutionalism” of organizational analysis insofar as institutionalized structures of meaning are said to constrain decision making through complex, path-dependent processes. In fact, the development of a cultural account of path dependency is one of the most interesting features of the book. By developing such an account, Dobbin takes deliberate exception to several competing theoretical traditions that seek to understand the development of industrial policy and organization. In particular, he makes a strong case against economic historians, such as Alfred Chandler, who argue that industrial policy and organizational outcomes are rational responses to an industry's special economic circumstances and that there is one best way to organize economic activity within an industry. Instead, Dobbin shows that there can be many efficient ways to organize an industry depending on the unique political and industrial cultures within which it is embedded, a lesson of great relevance to current debates about industrial policy. Furthermore, by documenting how British and French rail policies descended directly from turnpike and canal policies dating to the seventeenth century, he shows that national industrial strategies are influenced at least as much by previous strategies as they are by the relative positions of national economies as either early or late developers, as Alexander Gershenkron argued.

Moreover, in contrast to the so-called state-centered institutionalism of political sociology and political science, which argues that policy-making is constrained largely by the organizational capacities of policymakers, such as the degree to which they are bureaucratically insulated from politics or

have access to strategic resources, Dobbin maintains that cultural prescriptions are at least as important. To support his case, he provides evidence, often from parliamentary and congressional debates, documenting that the arguments about how government ought to facilitate railway development were constructed in terms of the prevailing political culture of each country. However, there is more to policy-making than public debate. Unfortunately, we get little sense of how politics, political parties, and the organizational capacities of business, labor, and other important interest groups, among other things, influenced outcomes. Thus, it is not always clear how important cultural conceptions were as determinants of public policy relative to these other factors. It is also assumed, perhaps because it would be hard to prove one way or the other, that the rhetoric of these public debates reveals culturally determined preferences as opposed to symbolic cover for more materially based interests.

The point is that the relationship among ideas, interests, and institutions as determinants of policy and organizational outcomes is a very thorny problem for social scientists. Despite my criticisms, Dobbin makes a valiant contribution by arguing forcefully for the primacy of cultural constructs, and he sensitizes us to this important and often-neglected determinant of public policy and industrial organization. As a result, this exceptionally well-organized book should be required reading for everyone interested in political and economic sociology, comparative political economy, and economic history.

Ideas, Interests, and American Trade Policy, by **Judith Goldstein**. Ithaca: Cornell University Press, 1993. 272 pp. \$39.95 cloth. ISBN: 0-8014-2695-2. \$13.95 paper. ISBN: 0-8014-9988-7.

Mercenaries, Pirates, and Sovereigns: State-Building and Extraterritorial Violence in Early Modern Europe, by **Janice E. Thomson**. Princeton: Princeton University Press, 1994. 219 pp. \$29.95 cloth. ISBN: 0-691-08658-3.

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Judith Goldstein's *Ideas, Interests, and American Trade Policy* and Janice Thomson's

Mercenaries, Pirates, and Sovereigns well represent the way recent lines of inquiry in political science connect to sociological work on the state. Like many sociologists, Goldstein and Thomson are concerned to confront rational choice explanations with more historical and contextual accounts. Shared explanatory ideas include models of society and the state, understandings of effective action, and the power of institutional constraints.

Janice Thomson's chief concern is to map the elimination, within the international arena, of violent actors other than the state. Thomson points out that until the late nineteenth century, much warfare and colonization were state sponsored but conducted by private actors—mercenaries, pirates, privateers, mercantile companies, filibusters. The virtual absence of these colorful characters from today's international scene is historically rare and not easily explained on rationalist grounds. For example, one might expect that wealthy countries would contract warfare out to citizens of poorer countries, much as they contract out various forms of labor.

Thomson describes a series of key nineteenth-century treaties that delegitimated non-state violence. Behind the learning and bargaining processes involved, private violence appears to have become problematic in a world dominated by states. Thomson illuminates two main components of this process: expansion of the scope and regularity of interstate relations, and deepening relations between the state and its population. (There is presumably a third component—the expansion of the state's capacity to build a permanent organization for waging war rather than contracting for the services of private actors—but this is left implicit.)

Nonstate violence flourished at the margins of the state system: pirates in the Caribbean and Madagascar, mercantile companies in the East Indies. It always accompanied colonial activity, since here states were unable to project power and had little concern for non-Western trading systems, or alien moral and political economies. By the mid nineteenth century, there was less space where these conditions held (though private companies made a quick reappearance during the scramble for Africa). State-sponsored pirates were rooted out of the Caribbean; territorial control of India and Indonesia was assumed by national governments. American filibusters